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MIAMI HERALD
19 September 1984

CIA direction linked to raid on Nicaragua

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WASHINGTON — The CIA continues to advise and direct Nicaraguan guerrillas, and "suggested" the Sept. 1 attack on a Sandinista army base in which two Americans and perhaps four Cuban military advisers were killed, congressional sources say.

The CIA and the administration have steadfastly maintained that they did not know in advance of the rebel attack. The two American volunteers died when Nicaraguan government forces shot down the rebel helicopter they were riding in.

Congressional sources with access to intelligence information said, however, that the base near the northern Nicaraguan town of Santa Clara was one of several targets that CIA agents had selected earlier this year for the anti-Sandinista guerrillas, known as contras.

"It is true the administration did not know the precise day and hour when the contras were going to strike or even that American free-lancers were going to go along," one of the sources said. "But they knew that Santa Clara was likely to be a target at some point because it was one of the sites that had been suggested to the contras as a target."

CIA spokesmen said they could neither confirm nor deny the report, but added, "On this issue, we remain in close touch with the [congressional] intelligence committees."

The revelations highlighted the CIA's continuing role in relaying intelligence, strategic and tactical information to the guerrillas, despite congressional opposition to the covert war and the virtual termination of congressionally authorized funds for it.

Some legislators have expressed concern that the CIA may be violating the law by spending more than the \$24 million that congress approved for the Nicaraguan guerrillas in the 1984 fiscal year that ends Sept. 30.

However, congressional intelligence sources said legal advisers for the House and Senate intelligence oversight committees and the CIA have issued opinions that no such violation has occurred because the CIA has yet to spend about \$100,000 of the \$24 million.

Consequently, CIA assistance to the rebels can continue as long as there is even \$1 left in the approved fund, the sources said.

When the \$24 million began to run out earlier in the summer, the CIA cut back the number of CIA contract employees assigned to work with the rebels in Honduras, guerrilla leaders have said. But the congressional sources said the CIA still has about a dozen operatives who continue to advise the rebels.

The agency has not counted their salaries or any overhead costs of providing additional intelligence or logistical support to the guerrillas — estimated at about \$1 million — against the \$24 million, the sources added.

Earlier in the year, the Democratic-controlled House Intelligence Committee, which has been leading the opposition to the covert aid, objected to this accounting practice but ultimately decided that the CIA had not violated the law.

The congressional sources said the CIA also may have used an unusual accounting procedure to provide some aircraft to the contras outside the \$24 million. They added that the intelligence committees were aware that the CIA was going to supply aircraft

to the contras as long ago as late 1983.

The sources said that the CIA, in coordination with the Defense Department, has provided helicopters, C-47 cargo aircraft and rocket-equipped O2A light transport and attack planes to the contras. Three of the O2As took part in the air strike against the Sandinistas' Santa Clara army base.

They said that in May and June, the congressional intelligence panels learned the CIA had given the guerrillas some airplanes through an accounting procedure known as "bailment," in which the CIA either purchases military equipment from the Pentagon at artificially low prices or loans Defense Department stocks to the contras free of charge.

While the House and Senate intelligence committees apparently are not planning any action against the administration over these activities, at least one congressional opponent of the covert program, Sen. Jim Sasser, D-Tenn., is considering proposing legislation to force the CIA to include such expenses in its accounting.

"The key unresolved issue," Sasser said this week, "is whether any of these aircraft were transferred to the contras without charge. It appears the administration did not charge them and this could be a means to circumvent the \$24 million cap placed on support to the contras during this fiscal year."

In addition, said Sasser, Department of Defense directives prohibit the free transfer of surplus military equipment.

"It appears that the administration acted in a cavalier and irresponsible manner," Sasser noted.

He spoke after a Pentagon courier brought to his Capitol Hill office a batch of top secret Air Force papers documenting the transfer of the aircraft. When Sasser finished reading the documents, the courier collected them and returned them to a safe in the Pentagon.

An aide to Sasser said later that another concern raised by the senator was about the use by the contras of U.S.-built military facilities in Honduras.